

## OPEN MEETING AGENDA ITEM

From: Abhay Padgaonkar

Date: November 1, 2021

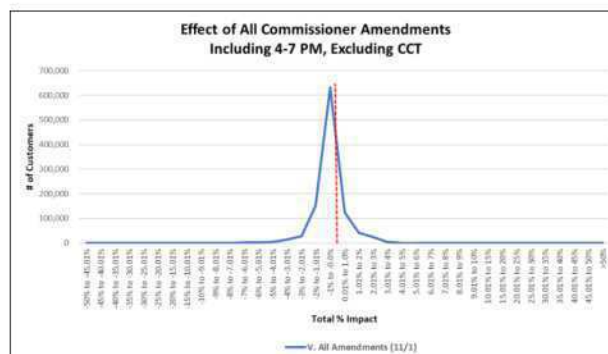
Docket: APS Rate Case (E-01345A-19-0236)

Re: **Latest Bin Analysis is Further Evidence of No Negative Impact**

Dear Commissioners:

APS's latest bin analysis<sup>1</sup> (Scenario V below) incorporating the Corrected ROO along with all Commissioner amendments (including 4-7 PM with 75/25 on-peak/off-peak split, but excluding CCT) with an overall revenue requirement decrease of \$(119.8) million **provides further evidence of no negative impact.**

Total % Impact	V. All Amendments (11/1)	% of Total
Rate Decrease	840,782	81%
Rate Increase	195,004	19%
-5% to +5%	1,028,130	99.3%
-10% to +10%	1,034,607	99.9%
<b>TOTAL</b>	<b>1,035,786</b>	<b>100%</b>



- **Nearly 0% average bill impact:** As ALJ Harpring and Special Assistant to the Commission Gordon Fox have now confirmed, however, the net decrease in annual billings to customers is only **\$4.821 million**.<sup>2</sup> Therefore, the Total Bill Impact (i.e., Base + Adjustors) target of **-0.14%** and actual of **-0.28%** in APS's latest bin analysis is also microscopic and will be hardly noticeable to a very large majority of customers.
- **Four times more with rate decrease:** As the chart and table above show, **81%** of the customers will experience a rate *decrease* compared to the **19%** of the customers who will experience a rate *increase*. Thus, more than four times as many customers will experience a rate decrease.
- **No long tail:** The - 5% to +5% bill impact range includes **99.3%** of all customers, indicating that the tail is not very long. This is further evidenced by the fact that the - 10% to +10% bill impact range includes **99.9%** of all customers — in short, virtually all customers.
- **Only 61 customers with increase greater than 10%.** But as APS has stated, even they are either low monthly users on a wrong plan or inactive customers for whom the proposed impacts are not reflective of actual circumstances.<sup>3</sup> Compare that small number to the large number of ratepayers whose bills had increased by more than 9% after the disastrous 2017 rate increase. It's not clear whether APS has ever filed a report showing how many customers' bills increased by more than 9%, but the number was high enough that the Commission ordered APS in Decision No. 77270 to provide the most impacted ratepayers with targeted educational materials that explained the various rate plans, the various options available, comparative usage data for their current plan and their most economical plan, and the opportunity to switch plans.<sup>4</sup> (Unfortunately, that barely made a dent: More than four years later, still **1 out of 5** customers could save \$120+ and **1 out of 10** customers could save \$240+ by being on their Most Economical Plan!<sup>5</sup>)

**With this latest evidence in hand, the Commission must retain Revised Márquez Peterson Amendment #1 (with verbal), order APS to conduct customer education tied to peak load reduction goal, and permit APS only 90 days of downtime for the rate comparison tool and pro forma billing.**

<sup>1</sup> APS's Bin Analysis Docketed on 11/01/2021 at: <https://docket.images.azcc.gov/E000016425.pdf>

<sup>2</sup> Hearing Division Memorandum at: <https://docket.images.azcc.gov/E000016369.pdf>

<sup>3</sup> APS Response docketed on October 25, Page 2, at: <https://docket.images.azcc.gov/E000016286.pdf>

<sup>4</sup> Decision No. 77270 at: <https://docket.images.azcc.gov/0000198805.pdf>

<sup>5</sup> APS's Quarter 3 2021 Rate Plan Education and Outreach Report, Page 4, at: <https://docket.images.azcc.gov/E000016431.pdf>